

**ASX Announcement and Media Release
16 January 2012**

DECEMBER 2011 QUARTERLY REPORT

SUNDANCE PROGRESSES COMPLETING 57 CENTS-A-SHARE TAKEOVER OFFER FROM HANLONG

HIGHLIGHTS

- **Sundance Board recommends increased offer from Hanlong Mining to acquire 100% of Sundance at 57 cents cash per share via Scheme of Arrangement, valuing Sundance at A\$1.7B.**
- **Offer represents a 65% premium to Sundance's VWAP in the month leading up to Hanlong unveiling its initial proposal to make a cash offer.**
- **Negotiations to finalise terms of the Mbalam Convention and Congo Mining Permit progressed.**
- **High-grade Hematite Ore Reserves increased to 352Mt at 62.4% Fe, fully underpinning Stage One of the Mbalam Project.**
- **Exploration target at Nabeba of an additional 1.5 - 2.5Bt of Itabirite at 30 - 40% Fe. ¹**
- **Mbalam rail corridor declared Land for Public Utility by the Cameroon Government.**
- **Preliminary construction works at Lolabe port underway in preparation for contractor mobilisation.**
- **Cash reserves of A\$46.6M as at 31 December 2011.**

Sundance Resources Limited ('Sundance' or 'the Company') (ASX: SDL) is pleased to report on what has been a productive December Quarter for the Company, marked by the offer from Hanlong (Africa) Mining Investment Limited ('Hanlong') to acquire 100% of the Company for A\$0.57 cash per share via an Australian Scheme of Arrangement ('Scheme') which was announced to the ASX on 4 October 2011.

The Board of Sundance unanimously recommend shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert's report concluding that the Scheme is in the best interests of all Sundance shareholders.

Hanlong's revised offer values the Company at A\$1.7 billion and the price represents a 65.3% premium to Sundance's Volume-Weighted Average Price (VWAP) in the one month leading up 15 July 2011 (when Sundance received notice of Hanlong's initial proposal) and represents a 56.3% premium to Sundance's three-month VWAP to 15 July 2011.

The Scheme is conditional on regulatory approvals in the Republics of Cameroon and Congo, as well as from the People's Republic of China and the Australian Foreign Investment Review Board. There are also other conditions which are set out in the Summary of Key Terms contained in the ASX announcement of 4 October 2011.

¹ *It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.*

Since receiving this offer, Sundance is continuing to progress the Conditions Precedent (for which the Company is responsible) contained in Phase One of the Scheme. Included in this is the requirement to have the key terms of the Mbalam Convention and the Congo Mining Permit agreed, and that Hanlong is satisfied with those terms, by 29 February 2012.

Sundance and Hanlong executive management attended a number of meetings together during the Quarter with senior Government officials of the Republic of Cameroon and the Republic of Congo to demonstrate their unified commitment to the development of the Project. Executives from both companies met with His Excellency Mr Denis Sassou-Nguesso, President of the Republic of Congo, and the Prime Minister of Cameroon, Mr Philemon Yang. Governments of both countries welcomed Hanlong's involvement and expressed their continued support of the Project.

The Republic of Cameroon election held in October 2011 confirmed President Biya was re-elected for another seven-year term. However, the subsequent ministerial reshuffle meant a number of expected meetings were delayed while the Ministerial appointments were finalised and publicly announced. The changes included the appointment of a new Finance Minister and Minister of Mines. Both roles are critical to the completion of discussions to agree the terms of the Convention. Furthermore, a report by the Cameroon Government's financial advisors was only recently completed and submitted to the Government for review. The report provides the Government with validation of the project economics. As a result of these events, the outline of the terms of the Convention was not able to be completed by 31 December 2011 as initially hoped. Representatives of Sundance and Hanlong plan to return to Cameroon in early 2012 to resume discussions.

Discussions have also continued with the Government of the Republic of Congo concerning the Mining Permit being sought by Sundance for the development of the high-grade Nabeba iron ore deposit, which forms part of the combined Mbalam-Nabeba Iron Ore Project proposed by Sundance.

DECLARATION OF LAND FOR PUBLIC UTILITY – MBALAM RAIL CORRIDOR

On 23 November 2011, the Company announced that Cameroon's Ministry of Property and Land Tenure had declared the land for the proposed 510km rail corridor as land for public utility. It covers the corridor from the Mbalam mine site to Sundance's planned deep water Lolabe iron ore terminal at the Kribi port area.

This declaration ensures all land required for the project is either subject to a Declaration of Public Utility or a Mining Permit Application and is a significant step forward to securing all land leases required in the Republic of Cameroon. The declaration of public utility for the Kribi port area (which includes Lolabe) was announced in 2010. Environmental approval for the rail, port and mine was also granted in 2010.

This paves the way for the Government to secure the necessary land required for building the Mbalam rail line, which will be done through a formal process led by a committee appointed by representatives of each of the five affected regional divisions: Vallée du Ntem, Océan, Mvila, Dja et Lobo and Haut Nyong. The decision also freezes all further property transactions and construction permits along the proposed rail corridor. The committee will submit a final report to the Ministry of Property and Land Tenure, which will determine expropriation and compensation.

Expropriation will enable the Government to grant Sundance's subsidiary Cam Iron SA (or an affiliate) the rights to the land necessary to construct and operate the railway, in accordance with the Mbalam Convention currently being negotiated between the Government of Cameroon and Sundance.

This is a milestone step towards achieving all the necessary government approvals to commence construction of the railway, which is a critical component of bringing Mbalam's world-class iron ore deposit to market.

MBALAM PROJECT

In preparation for the commencement of design activities and contractor mobilisation following project sanction, SDL has commenced preliminary works at the Lolabe port site area. These works have been tailored to provide information required for design and planning purposes with the intention to reduce the risk profile of the project. Works include:

- Identification of geotechnical characteristics for the foundations of the main infrastructure and facilities at the Lolabe port area which includes the stockyards, car dumper, roads, railway marshalling yards and buildings.
- Identification of suitable sources of materials required for construction such as rock for seawall, aggregate for concrete, pavement materials, sand etc.
- Survey of the near shore sea depth for determination of dredging requirements and location of temporary landing ramp.

In undertaking these preliminary works, Sundance has engaged numerous contractors, including local companies, to perform the following tasks:

- Development of tracks for gaining access to the required areas
- Geotechnical and hydrogeological sampling
- Bathymetric survey of near shore ocean
- Management of the site and contractors to scope, schedule, budget and HSE requirements

Following identification of the project management contract ('PMC') services contractor, the successful contractor will augment the existing owner's project team to manage on behalf of Sundance, the delivery of the project on a day to day level.

During the period Sundance conducted an international tendering program to identify, evaluate and select a suitably qualified consultant to manage the Project. This process included a pre-qualification and formal tender involving five tenderers.

The process was completed during the Quarter and a successful bidder selected as the preferred PMC provider. The contractor has established a project team of over 30 people and is becoming involved in developing the necessary plans, processes and procedures for use during the project execution phase.



Preliminary planning of Mbalam rail corridor in Cameroon

Sundance conducted an expression of interest program for the contract mining and explosives supply and handling services to identify the appropriate contractors to include on a formal tender list. This process has been undertaken on an international basis.

Subsequent to the receipt of submissions, an evaluation was performed against pre-determined criteria and the potential contractors assessed on their suitability to be considered for inclusion on the list for participation in a formal tender.

The first construction works to be conducted at the site will involve the development of access roads, lay down areas, a landing ramp and supporting infrastructure at the Lolabe port site area. The completion of these works will allow subsequent contractors such as the accommodation village supplier, port contractor and rail contractor to mobilise to site and commence.



During the Quarter, Sundance developed and issued a tender for the delivery of these works. Tender submissions for this work have been received and are currently being evaluated.

Sundance has been engaged with China Rail (CRCC) since September 2010 working to define the scope, cost and duration for delivery of the railway.

Sundance received from CRCC a tender submission and has been involved in evaluation and negotiations with CRCC to finalise a contractual arrangement for the construction of the railway.

Sundance has specified and agreed with CRCC that the Project requires a minimum 32 tonne axle load heavy haul rail system to support its current and future capacity requirements.

To assist CRCC with undertaking the design, Sundance developed and issued a tender for the development of a basic design by an engineering company with international experience in designing heavy haul iron ore railway systems.

A successful bidder was awarded the tender and has established its project team who have conducted a kick-off meeting and commenced the basic design work.



Construction of access road leading to the Lolabe Port



David Meehan, SDL Project Director, and Simon Yang from Hanlong, assessing the Lolabe port site in Cameroon

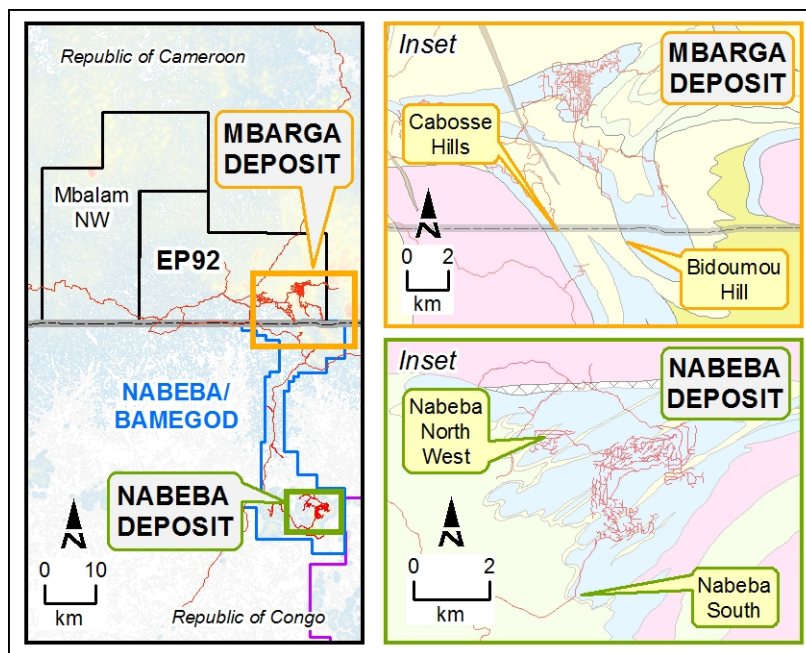
Sundance also engaged China Harbour (CHEC) to define the scope, cost, and duration for delivery of the deep water iron ore port terminal.

CHEC submitted a tender and Sundance is currently in the evaluation and negotiations process with CHEC to finalise a contractual arrangement for the construction of the Lolabe port.

In an effort to obtain further clarity and detail on the tender submission from CHEC, Sundance has further detailed the design requirements at the port site and this updated design has been issued to CHEC who have reviewed and submitted a revised tender on this basis.

EXPLORATION AND RESOURCE DEFINITION

During the calendar 2011 year, drilling activities were completed ahead of time and under budget. More than 389 holes for over 40,000m of drilling were undertaken. The project has now completed 1088 drill holes; which would equate to spanning over 150 kilometres if it was laid out on the ground.



Areas of active exploration during the December Quarter

Sundance currently has a JORC Code-compliant High-Grade Hematite Mineral Resource totalling 521.7 million tonnes (Mt) at 60.7% Fe (Table 1) divided over four deposits. Of the 521.7 Mt, 94% is classified as 'Indicated' as defined by the JORC Code.

Table 1 - Mbalam Project High Grade Hematite Resources

GLOBAL HIGH GRADE RESOURCES	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Indicated	488.5	60.9	6.5	3.0	0.092	2.8
Inferred	33.3	57.9	13.4	3.3	0.089	1.8
Total High Grade Resources	521.7	60.7	6.9	3.0	0.092	2.7

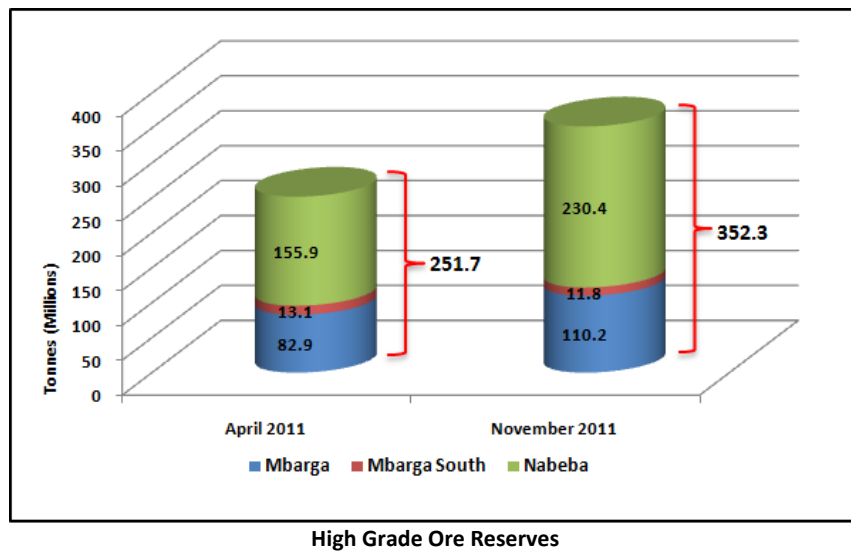
In November 2011, Sundance announced an Ore Reserve upgrade to 352 Mt at 62.4% Fe of High-Grade Hematite (Table 2), sourcing ore from three deposits – Mbarga and Mbarga South in Cameroon and Nabeba in the Republic of Congo.

This significant upgrade was driven by the highly successful 2011 drilling program and confirms Mbalam/Nabeba now have sufficient Ore Reserves to deliver the full ten years of DSO production for Stage One of the Project.



Table 2 - High Grade Hematite Ore Reserves

GLOBAL HIGH GRADE HEMATITE ORE RESERVES	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Ore Reserves Reported to ASX 6 April 2011	Probable	252	63.6	3.6	2.5	0.08	2.4
Ore Reserves Upgrade Released to ASX 15 November 2011	Probable	352.3	62.4	5.0	2.6	0.09	2.6



During the December Quarter, the exploration focus was on geological mapping and exploration of high-grade mineralised targets as well as decreasing drill grid spacing at Nabeba North-West and exploration drilling at Nabeba South. Drilling at Nabeba is due to re-commence in February 2012.

Itabirite Resource: 1.5-2.5 Billion Tonne Exploration Target at Nabeba

The Itabirite Hematite Resource at Mbarga is currently defined as 2.32 billion tonnes at 38% Fe (Table 3) with 62% of the Resource at Indicated JORC Code-compliant status. A diamond drilling program commenced during the December Quarter with the aim of determining a maiden exploration target at the Nabeba Deposit of 1.5-2.5 billion tonnes at 30-40% Fe².

This target has been estimated using the footprint size of the underlying BIF unit at Nabeba. The drilling program involved one diamond drill rig and one hole has been drilled to date. The exploration program is expected to significantly increase the Company's global Itabirite Resources.

² It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

Table 3 – Itabirite Hematite Resource

GLOBAL ITABIRITE HEMATITE RESOURCE	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Indicated	1,431	38.0	44.5	0.44	0.04	0.32
Inferred	894	38.0	44.1	0.54	0.05	0.43
Total Itabirite Hematite Resource	2,325	38.0	44.4	0.48	0.04	0.36

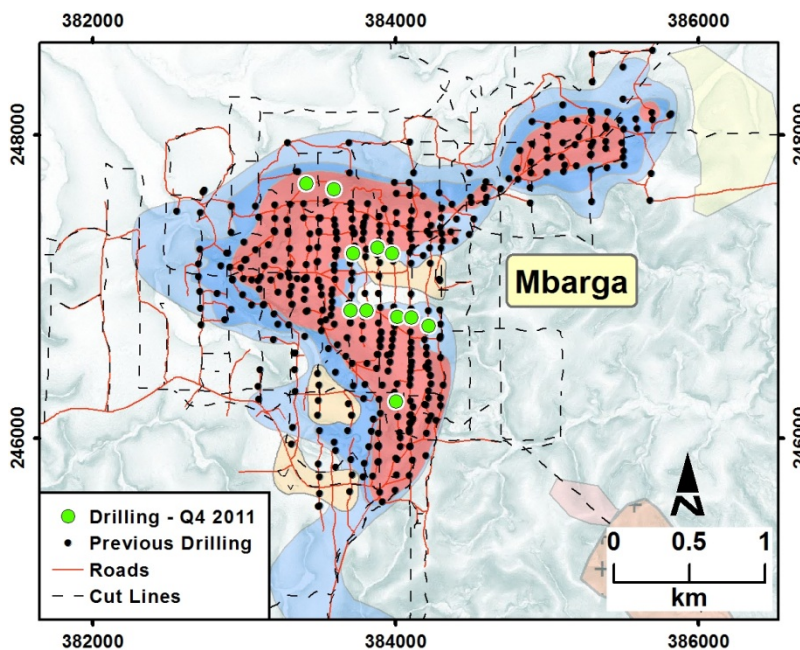
Drilling Update and Exploration Targets

A total of 49 drill holes were completed on Project tenure in Cameroon and the Republic of Congo during the Quarter, comprising 37 RC, 12 Diamond Core for a total of 4,396 metres. Exploration operations continued throughout the December Quarter despite continual heavy rain and difficult drilling conditions.

Principal Exploration activities during the period included:

1. Geotechnical and Metallurgical diamond core drilling at Mbarga, Cameroon.
2. Initial Resource Definition RC drilling at the Nabeba Northwest Prospect, the Republic of Congo.
3. Initial Resource Definition RC drilling at the Nabeba South Prospect, the Republic of Congo.
4. Initial Resource Definition of potential Nabeba Itabirite at depth.

Republic of Cameroon



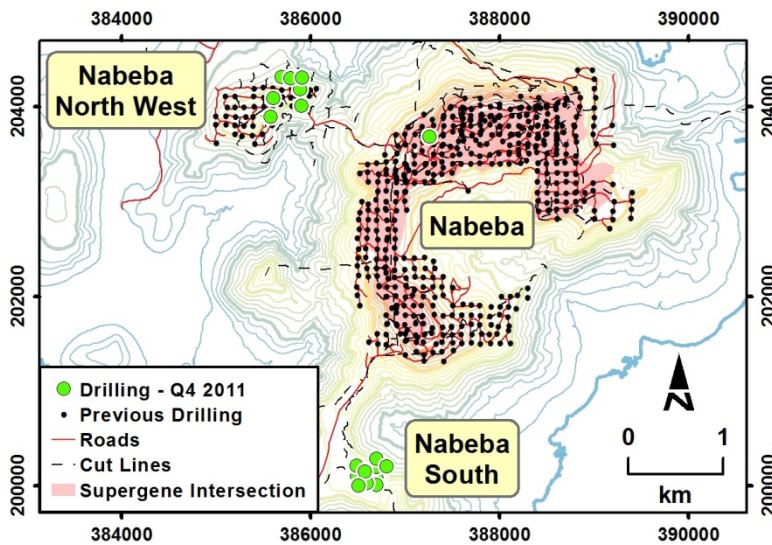
Drillhole locations at Mbarga in the December Quarter

Drilling at Mbarga focussed on metallurgical and geotechnical drilling utilising one diamond drill rig.

One metallurgical hole was drilled to finalise the metallurgical program with the purpose of collecting test work bulk sample.

Geotechnical drilling continued for most of the Quarter at Mbarga with eight geotechnical holes drilled.

The purpose of these holes was to intersect the waste material of the proposed supergene pit, specifically within the schist embayment, with the aim of increasing the understanding of the mechanics of the rock mass and assess the possibility/risk of steepening the pit wall angle. Two infill resource holes were also drilled at Mbarga.



Drillhole locations at Nabeba in the December Quarter

The Republic of Congo

At Nabeba Northwest, one kilometre west of Nabeba, a further 25 RC exploratory vertical holes and one vertical Diamond hole were drilled to test the extent of the supergene mineralisation and provide infill drilling and a subsequent drill grid reduction from 100x100 m to 100x50m. Nabeba Northwest data will be interpreted and modelled during Q1 2012.

Table 4 summarises the results from Nabeba Northwest in the December Quarter. Consistent high grade mineralisation was intersected and mineralisation remains open in some directions. Table 4 results are from 2m composited samples within vertical RC holes. Results are preliminary from hand-held Niton XRF analyser.

Table 4 - results from Nabeba Northwest in the December Quarter

Hole ID	From	To	Length	Fe (Niton)
NB0519C	0	58	58m	55%
NB0520C	0	86	43m	54%
NB0521C	0	16	16m	54%
NB0522C	0	58	58m	54%
NB0523C	0	12	12m	54%
NB0524C	0	24	24m	55%
NB0525C	0	14	14m	57%
NB0526C	0	20	20m	59%
NB0527C	0	48	48m	61%
NB0528C	0	102	102m	43%
NB0529C	0	92	92m	58%
NB0530C	0	26	26m	59%
NB0531C	0	14	14m	53%
NB0534C	0	38	38m	56%
NB0535C	0	18	18m	52%
NB0535C	36	96	60m	54%
NB0536C	0	24	24m	57%
NB0538C	0	56	56m	58%
NB0539C	0	10	10m	60%
NB0540C	0	12	12m	54%
NB0541C	0	10	10m	50%
NB0542C	2	20	18m	57%
NB0543C	0	32	32m	54%

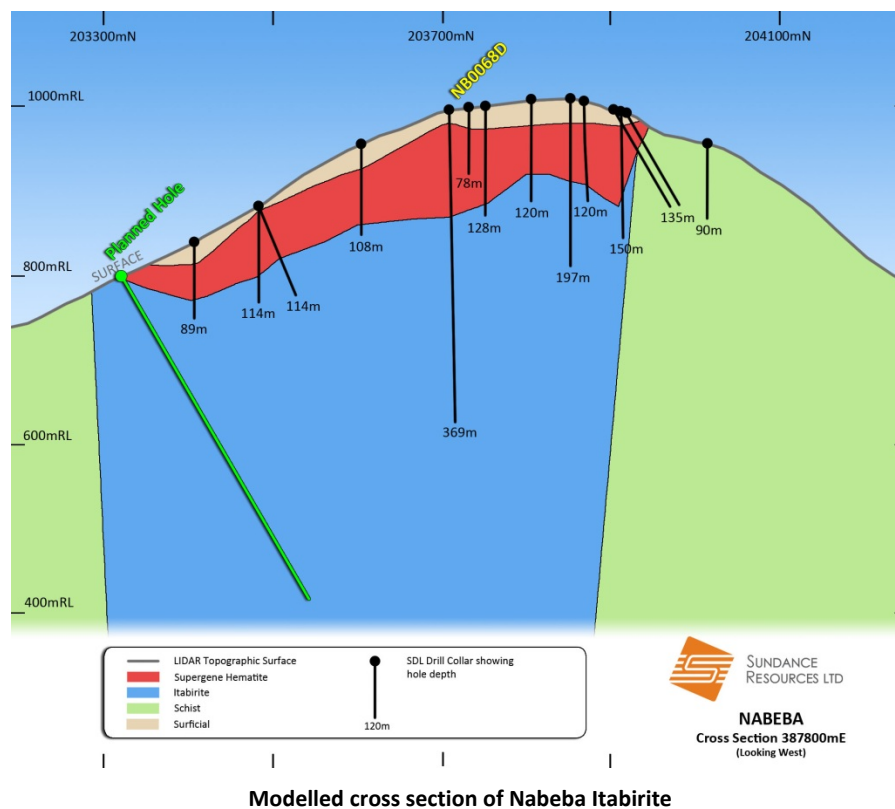
At Nabeba South, 1.5 kilometres south of Nabeba, 10 exploratory RC holes were drilled to test supergene mineralisation as a result of previous mapping. Drilling covers an area of approximately 400m x 200m. The results show large thicknesses of high-grade mineralisation and are particularly encouraging with further drilling planned for 2012.

Table 5 summarises intersections of mineralisation with RC hole NS0010C showing a vertical thickness of 106m at 60% Fe. These results are from hand-held Niton XRF analyser and quantities of deleterious elements will not be known until full XRF analysis is received from the laboratory.

Hole ID	From	To	Length	Fe (Niton)
NS0001C	0	60	60m	65%
NS0002C	0	34	34m	64%
NS0003C	0	18	18m	52%
NS0004C	0	52m	52m	61%
NS0005C	32	96	64m	54%
NS0006C	0	30	30m	61%
NS0010C	0	106	106m	60%

2012: Planning

The Itabirite Resource definition program commenced in the December Quarter with one diamond hole drilled. The aim of this program is to delineate the extent of the underlying Itabirite Resource at Nabeba and will continue in 2012. Geological modelling has indicated that enriched Itabirite is the dominant rock type under the high-grade supergene enriched cap.

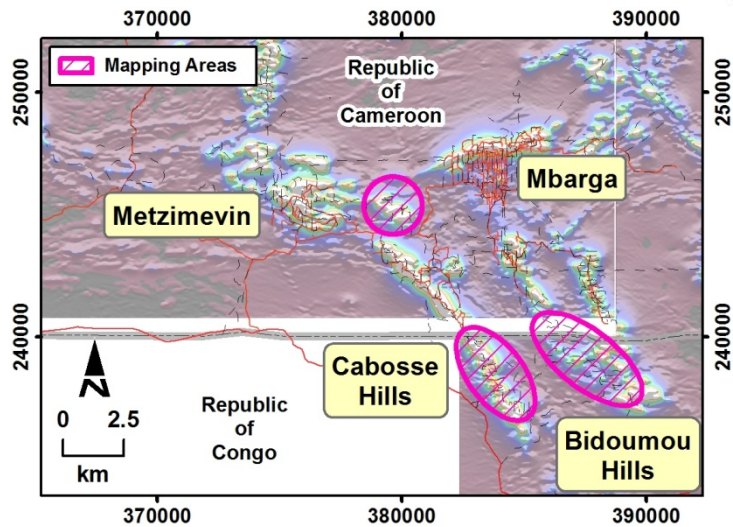


GEOLOGICAL MAPPING

Several mapping excursions were conducted during the December Quarter to identify areas of potential high-grade mineralisation. Mapping was hindered by wet weather, difficult terrain, thick jungle and scarcity of outcrop.

Geological mapping east of Metzimevin was conducted in early October 2011 by site geologists. High-grade supergene samples were taken however most of the rocks sampled were magnetic Itabirite.

Niton results for the supergene mineralisation in this area were up to 72% Fe, and further mapping is planned for this area.



Location of geological mapping excursions at the Mbalam Project during the December Quarter



Massive high grade hematite sample with specular hematite from the area east of Metzimevin

Mapping of South Cabosse Hills in the Republic of Congo was conducted by site geologists who identified friable supergene hematite mineralisation at the surface at the top of the ridge. Itabirite and sub-grade supergene material were found on the northeast slope.

Geologists plan further detailed mapping at the top of the ridge where supergene material was collected. Niton results for the samples taken from this area range between 52 -60% Fe.

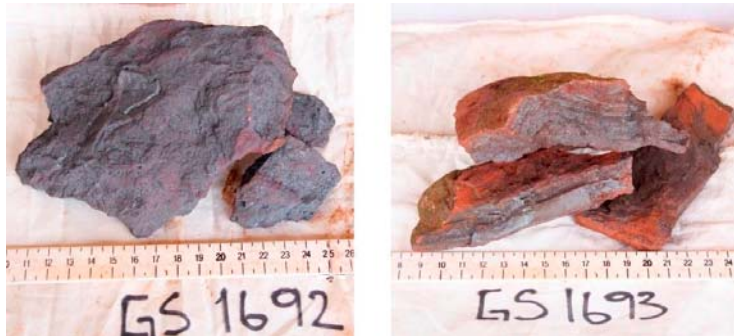
Mapping at Bidoumou Hills took place in November 2011 by site geologists which revealed supergene float and lead to the second and more detailed mapping excursion to delineate potential supergene mineralisation at the ridge. Thirty nine samples were collected and sent for Niton analysis, with 17 samples having >60% Fe. Mapping and Niton analyses indicate potential for high grade supergene mineralisation along the ridge top.



Supergene mineralised samples from South Cabosse Hills, Republic of Congo



Enriched Itabirite was also observed on the slope and at the base of the hill. Other mapping included areas east of Mbalam Village and at the south extension of South Mbarga, however, no mineralisation was mapped in these areas.



Massive supergene and enriched Itabirite showing banding

The two Directors of Geology from Brazzaville and Sangha visited the Nabeba site during the December Quarter. The aim of the visit was to discuss sample expedition process and exploration procedures at Nabeba, as well as discussions on mining application permits and other tenure related issues. Geologists presented the Directors with an overview of the exploration and drilling activities.

In order to continue tenure compliance with the Governments of the Republic of Cameroon and the Republic of Congo, Sundance submitted the EP92 Year 6 Annual report to the Ministry of Mines in Cameroon and the Year 5 Quarter 1 Activity report to the Ministry of Mines in Congo in December 2011.



The Director of Geological Research and the Departmental Director of Geology for the Sangha Region accompanied by the Logistics Officer and two Congo Iron geologists

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY (HSEC)

	Total Man Hours Performed	Total Lost Time Incidents	Total High Potential Incidents (no lost time)	Total Lost Work Days
Perth, Cameroon, Congo	309,407 man hours worked.	0	2	0
Lost Time Injury Frequency Rate (LTIFR) Q4 2011				0
Previous annual LTIFR				13.17
Rolling annual LTIFR				4.17

For the reporting period, there was a continued decrease to the Loss Time Injury Frequency Rate (LTIFR), which is directly related to no lost time incidents and an increase in hours worked from the preliminary port earthwork project in Cameroon.

Community projects launched during the last quarter have progressed with highlighted success around The Honey Project, which involves five groups of villages in Cameroon. Almost all of the constructed 2,000 hives have been placed with a number of hives showing colonization by bees.

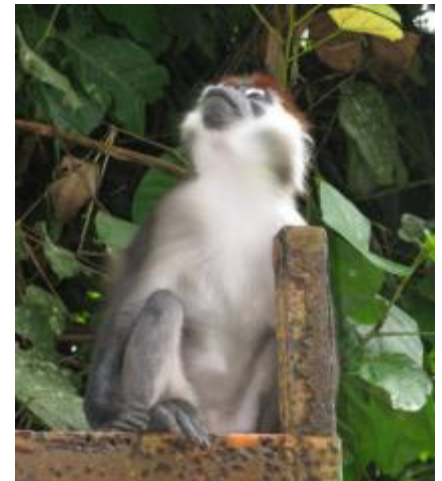


Villager placing his beehive near Kribi

The re-introduction program for rescued monkeys and apes to the wild was also launched with a formal contract being signed between the Company and the MEFOU Primate Center.

Activities will include support for the care of rescued animals at the MEFOU Sanctuary, the release of monkeys and apes, and an education program for Cam Iron employees and neighboring population on bush meat health risks and regulations.

A Ministry of Environment and Nature Protection (MINEP) delegation visited the Mbalam Camp and project site to assess the level of the implementation



Red Capped Mangabey at the MEFOU Sanctuary

of Cam Iron's Environmental and Social Management Plan. MINEP recognised that, while Cam Iron is still in the exploration phase, the Company demonstrated considerable effort to address environmental and social issues.

In Congo, the Environmental and Social Assessment (ESA) report was finalised and printed and will be submitted to the Congolese Government upon receipt of the remaining signatures from local authorities in Souanké.

In continuation of their commitment to the local communities, Congo Iron provided health and medical support to the communities around the Yangadou and Nabeba sites. Various road improvements and infrastructure projects were completed between Mbalam and Yangadou and in close collaboration with the Chinese logging company SEFYD.

In this Quarter, capacity building on waste management commenced with community members surrounding the Yangadou site. Further surveys were conducted of the institutional and organisational resources in the Souanké district in order to expand and include other relevant participants in future programs (state, private sector and NGO).

HUMAN RESOURCES

To mark the engagement of the Company in the Congolese national program against HIV-AIDS, and to reinforce the fight against HIV-AIDS in the professional environment, awareness discussions were held in the Congo Iron office. The primary aim of this activity was to encourage the staff to participate in voluntary screening.



Congo Iron Staff participate in international HIV-AIDS Awareness Day



CORPORATE

The Annual General Meeting (AGM) of Sundance shareholders was held on 25 November 2011 in Perth, Western Australia. In accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, the resolutions put to shareholders were passed on a show of hands. For more information refer to the Results of the AGM announcement made by the Company to the ASX on 25 November 2011. On 21 December 2011, the Company announced that Mr Brian Conrick has taken over as Company Secretary from Neil Hackett, who joined Sundance immediately following the air tragedy in June 2010 and has assisted in the rebuilding of Sundance since that time.

Shareholder Information

As at 31 December 2011, the Company had 23,313 shareholders and 2,921,322,169 ordinary fully paid shares on issue with 48,817,666 rights and options on issue. The top 20 shareholders held 58.37% of the total issued capital.

Cash Assets

The Company's cash balance at 31 December 2011 was A\$46.6 million.

Expenditure

The Pro-forma Statement of Consolidated Cash Flows is provided in a separate report.

GIULIO CASELLO

**Chief Executive Officer and Managing Director
Sundance Resources Limited**

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Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy. Mr Longley and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The information in this report that relates to Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.

Resources reported on Exploration Permit 92, Cameroon (Mbarga, Mbarga South and Metzimevin Deposits)

The estimated quantity and grade of High Grade Hematite quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at Mbarga Deposit and a spacing varying from 200m x 100m to 50m x 50m for the Indicated Resource at the Mbarga South Deposit. A 200m x 100m drill pattern applies for the Inferred Resource at the Mbarga and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit.

Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <15% Al₂O₃; Supergene: No cut-off; Transitional: >51% Fe; High Phosphorus Domain: >50% Fe and <0.3% P; Hypogene: >51% Fe. South Mbarga has not had any grade restrictions applied. Metzimevin Inferred Resources have a >50% Fe cut-off and density of 2.80 t/m³ applied.

A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 10m(X) by 10m(Y) by 2m(Z) in supergene and 10m(X) x 20m(Y) x 5m(Z) blocks in Itabirite with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.

Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation.

Densities have been assigned from a combination of down hole geophysical and physical measurements of diamond core carried out as part of metallurgical analysis. Densities of 2.40 t/m³ have been assigned for the Surficial Zone, 2.80 t/m³ for the Supergene, 2.80 t/m³ for the Phos, 2.90 t/m³ for the Transition and 3.20 t/m³ for the Hypogene. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying, with a range of densities adopted from 3 to 4t/m³ depending on the iron grade.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

Resources reported on Nabeba-Bamegod Permit, Congo (Nabeba Deposit)

The estimated quantity and grade of near-surface, high grade mineralisation for the Nabeba Resource has been restricted to an area currently covered by drilling on predominately a 100m x 100m pattern (with some closer-spaced drilling on selected north-south lines on the northern ridge). Sundance has completed significant drilling at Nabeba of which 22.5% has been diamond core and 77.5% RC (Reverse Circulation) drilling with face-sampling hammers. The geological model is represented by an area approximately 3km (east-west) x 3km (north-south). Grade has been estimated by Ordinary Kriging on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. For the Sep 1st 2011 stated High Grade Resources, 76% of drill sample results were full XRF analyses from Ultratrace Laboratories (Perth, Western Australia) and the remaining 24% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.

Cut-off grades for the Nabeba deposit are broken down as follows: Surficial: <6% Al₂O₃ and <0.25% P; Supergene: no cut-offs; Sub-Grade : <6% Al₂O₃ and <18% SiO₂.

A digital terrain surface (based on recent Lidar and ground surveys) has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m(X) x 25m(Y) x 5m(Z) blocks with sub-blocks to honour the constraining surfaces. All collars have been surveyed by DGPS. A density of 2.65t/m³ has been used for all of the Supergene High Grade Hematite, with a density of 2.50t/m³ for the Sub-Grade and Surficial zones. All density values are based on results from an assessment of physical density measurements of current drill core and on down-hole density determination by Surtron.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy.

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.